

CONCEPTUAL MASTER PLAN FOR PALACE PASS - PHASE I PINTURA, WASHINGTON COUNTY, UTAH

SITE DATA

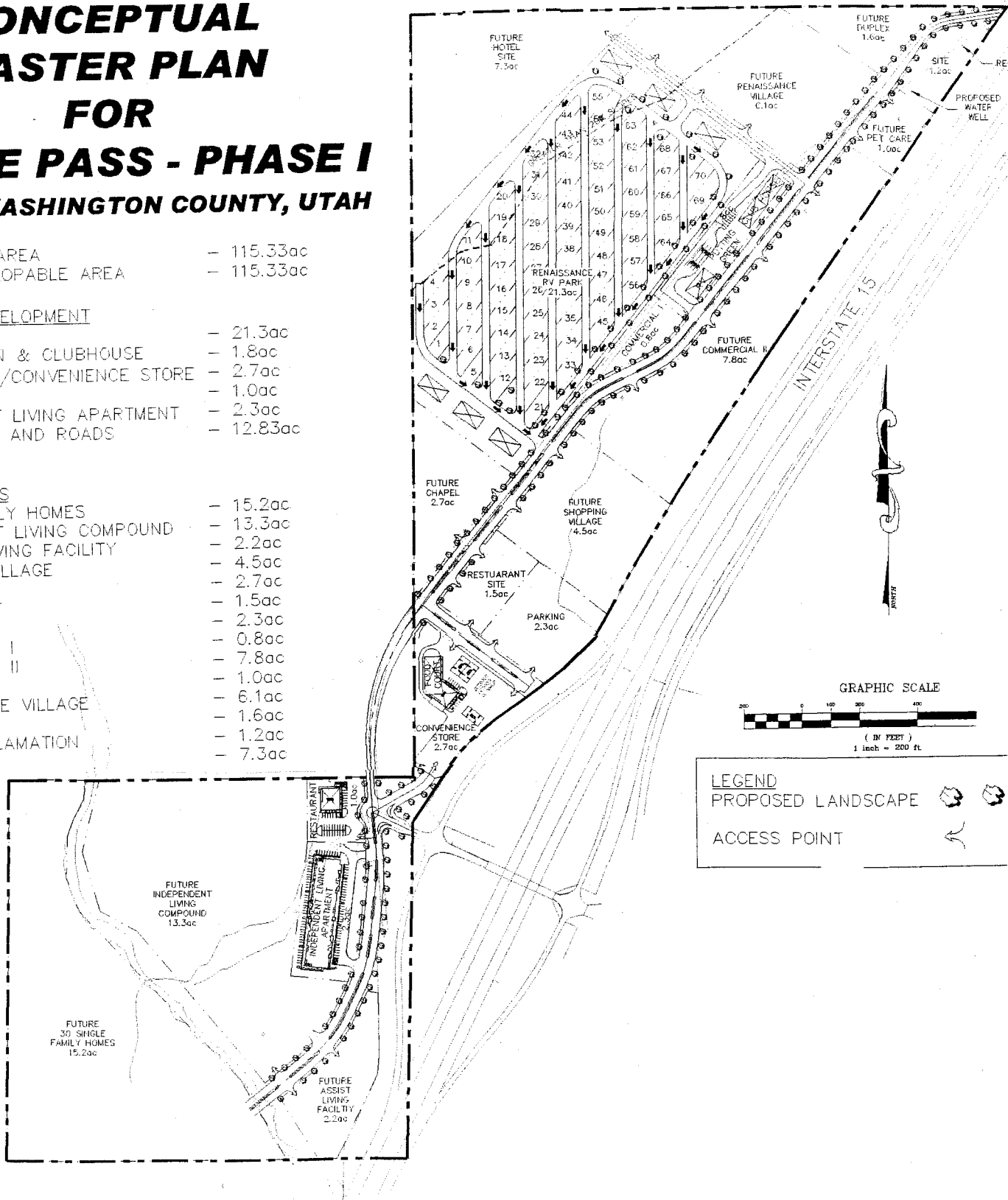
TOTAL SITE AREA - 115.33ac
TOTAL DEVELOPABLE AREA - 115.33ac

PHASE I DEVELOPMENT

RV PARK - 21.3ac
RV CHECK-IN & CLUBHOUSE - 1.8ac
FOOD COURT/CONVENIENCE STORE - 2.7ac
RESTUARANT - 1.0ac
INDEPENDENT LIVING APARTMENT - 2.3ac
OPEN SPACE AND ROADS - 12.83ac
WATER WELL

FUTURE SITES

SINGLE FAMILY HOMES - 15.2ac
INDEPENDENT LIVING COMPOUND - 13.3ac
ASSISTED LIVING FACILITY - 2.2ac
SHOPPING VILLAGE - 4.5ac
CHAPEL - 2.7ac
RESTAURANT - 1.5ac
PARKING - 2.3ac
COMMERCIAL I - 0.8ac
COMMERCIAL II - 7.8ac
PET CARE - 1.0ac
RENAISSANCE VILLAGE - 6.1ac
DUPLEX - 1.6ac
WATER RECLAMATION - 1.2ac
HOTEL - 7.3ac



LEGEND
PROPOSED LANDSCAPE
ACCESS POINT

THE LUXURIES OF LIFE AT PALACE PASS RENAISSANCE RESORT MASTER PLANNED COMMUNITY

Palace Pass Renaissance Resort master planned development is located on 115 pristine acres of land in beautiful Southern Utah, Washington County, at exit 33 on I-15, half way between St. George and Cedar City, Utah (approximately 30-minutes in either direction), with very comfortable temperatures all year round and the area offers some of the most beautiful scenery in the world.

Whether you prefer to play golf (St. George offers one of the highest number of golf courses per capita in the country), fish at one of the many recreational areas, partake in water sports locally or at beautiful Lake Powell, Arizona (approximately 135 miles away), hike on the many trails, hunt game, ski at Brian Head, enjoy the plays at the Shakespearian Festival or the musical theater/concerts at the Tuacahn amphitheater; shop at the many malls or Outlet Factory; visit one of the many beautiful national parks; such as Zion or Bryce or one of the several state parks, or the Grand Canyon; maybe even visit the exciting, glamorous Las Vegas, Nevada only two hours away, or try your luck at one of the Casinos in Mesquite, Nevada, only 45-minutes away. Perhaps you want to attend or participate in one of the special events such as the St. George Marathon or the Huntsman Senior Games, which draw thousands to St. George each year. The St George Marathon is currently the 13th largest marathon in the country. Which ever you prefer to do, Palace Pass Renaissance Resort is within a reasonable driving distance to them all.

St. George airport is currently served by Sky West Airlines with a replacement airport accommodating regional jets as well as other larger Boeing-type aircraft moving toward a 2010 completion.

Perhaps you just want to kick back and do nothing, but enjoy all the amenities available at the resort for your comfort. You can do that in one of the luxurious one, two, or three bedroom condos, town homes, or apartments offered at the resort on approximately 13-1/2 acres; overlooking the approximately 4-acre central park-like area with an 18-hole professional links putting course on a spectacularly landscaped oasis park common area in the center. In addition, you will find a relaxing swimming pool, a ten-station PAR exercise trail, abundant beautiful landscaping and a leisurely pathway leading to a planned main facility/apartments with numerous amenities for your enjoyment during your stay or residency. Plus, there is an additional area of approximately 6-acres of condos for vacation guests to enjoy the ambience of the resort. A rental program will be in place for owners who are not permanent residents and wish to rent out their place, or a portion of it, if you have chosen one of the lock-out floor plans where you can stay in the one or two bedroom side and rent out the other one bedroom or studio side. Maybe you want to rent out both sides. Either way, Palace Pass Destination Resorts rental agency will handle your needs. Or perhaps you are just passing through and need a room for a few nights and would like to stay in one of our beautiful hotel rooms/suites located at the top of the hill.

The main adult facility & apartment building will offer a large, elegant lobby with beautiful bath rooms, administrative offices, library, concierge service and travel office, beauty/barber shop with message area, kitchen and large dining room where three healthy meals will be available for the residents daily, a bistro for those on a different schedule or desire a less formal setting; a game room with large TV, pool table, ping pong, air hockey, game tables, etc., craft and computer room exercise room with miscellaneous exercise equipment, lap pool and spa, a large TV/theater room, which will have a large screen for movies. There will be a wide array of resort-style amenities available. Weekly light housekeeping will be available, as well as heavy housekeeping and laundry services for an extra fee. A shuttle service will be available at a nominal charge for going on various excursions, the grocery store in town and miscellaneous shopping/recreation tours. The facility will be available to rent for birthday parties, marriages, anniversaries, etc.

There will also be a chapel that can be used for weddings and services. It will have a bathroom, office, and changing room. The grounds will have a labyrinth, gazebo, and honeymoon suite called Romeo & Juliet. Renaissance costumes will be available for all wedding participants choosing a Renaissance theme, including a minister, organist, etc. A photographer and Recording person will be available to photograph and record the memorable event.

There is an RV Park with large pull-through spaces, putting green, shower and washing facilities, and a large club house; a pet care facility for guests and residents who need their pet(s), large and small, cared for while visiting the many attractions near by; a restaurant with gift shop; a 4-1/2 acre shopping village with a theater for local talent and play performances with ample parking; approximately 45-single residential lots for custom homes; a convenience store with a food court, gas station including diesel, and car wash. In the future, a planned assisted living facility will be added. Plus, there is ample acreage left for future commercial development.

What are you waiting for? Come join in on the fun at Palace Pass Destination Resorts and enjoy a full Renaissance experience. For information, call (702-293-6799).

TOURIST STOP
AT
PALACE PASS RENAISSANCE RESORT

PALACE PASS CONVENIENCE STORE, RESTAURANT,
GIFT SHOP, RV PARK, SHOPPING VILLAGE AND HOTEL

On approximately three acres, there will be a convenience store with food court, gas station with separate diesel stations, and a propane take, a drive through car wash, and a water, air, and vacuum station. For guests/customers to experience the entire theme of the resort, clerks will be in Renaissance costume. The **Convenience Store** will carry the usual snacks, gifts, etc., plus ample fresh and canned groceries, sundries, emergency equipment; such as, car tire chains, misc. truck parts, etc.

On approximately one and one-half acres, there will be a **Restaurant and Gift Shop** that will have a "Cracker Barrel" concept where guests enter the restaurant through the gift shop and the restaurant has outside and inside dining with banquet and conference facilities. A basic and unique menu will be offered. The gift shop will carry items made by Palace Pass residents and local craftsmen/artists, as well as other unusual and desirable gifts. Shipping will be available. Waiters, waitress', and clerks will all be in Renaissance costume.

RENAISSANCE SHOPPING VILLAGE

On approximately four and one-half acres, with 2-plus acres of ample parking, there will be the walled **shopping village** with a small moat and draw bridge at each entrance/exit. The village consists of several buildings, which will have various specialty gift and food shops. There will be landscaped walking areas with tables and chairs for outside eating and relaxing. The possible second floor of each building may have condos/flats. The clerks and workers, etc. of the Village will all be wearing Renaissance costumes for a full Renaissance experience.

The Village buildings will have numerous specialty shops; such as,

- * a furniture shop, which will offer numerous types of antiques and designer quality furniture, potter, glass-ware, etc.;
- * hand made quilts made by residents and locals, miscellaneous linens and things; miscellaneous household accessories;
- * fresh fruits and vegetables grown by local farmers, packaged nuts and fruits, and a variety of preserves;
- * a large variety of candy and chocolates with a taffy machine, various flavors of ice cream;
- * a variety of wine and cheeses, plus related gifts;
- * a shop with assorted soft drinks, coffee, tea, and a deli with specialty health drinks & sandwiches;
- * a bakery with various breads, donuts and cookies, wedding and party cakes;
- * live and silk plants and flowers, which would provide arrangements for weddings and parties, as well as related gifts.
- * a large shop for local craftsmen/residents demonstrating their craft/talent, which will be available for sale in the gift shop. It will also feature a gallery of local artist's paintings, which will be available for sale.
- * The area designated for statues, garden and outside decor will have concrete fountains, statues, and numerous outside decor imported from Mexico.
- * various shops; such as, a candle shop, leather products; Southwest gifts; Renaissance gifts and souvenirs; toys and stuffed animals; Dolls; T-shirts; beauty products; soaps, health food store, etc.; jewelry shop, etc., and additional space is available for other shops.

PALACE PASS RV PARK

On approximately 21-acres, there will be approximately 78 - 50' X 100' deluxe, high-end RV pull-through spaces with a putting green area. The large spaces will be available for condo-type sale with CC&R's or on a rental basis. A rental program will be in place for owners who are not permanent residents and wish to rent out their space. The Club house building will be a lounge with TV, bathrooms, a pool table, ping pong, air hockey, and game tables. There will be food and drink machines, and an equipment storage room, swimming pool and spa with lockers. The RV and condo guest registration check-in will also be located in this building. There will be a tennis, badminton, volley ball, and/or basketball court available for all guests and tenants.

Outside will have shuffle board, a giant floor checker & chess game. There is a building for showers with a washer and dryer area.

OTHER

There are other areas in the resort that are designated for a Chapel with labyrinth and gazebo with park area; pet care facilities for residents and guests; single family residential; a future hotel; condos; an adult apartment main facility; a future assisted living facility; and future unknown commercial.

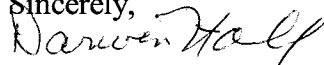
Re: Septic Tank Approval for Palace Pass, Phase I

Dear Deon:

At the Ash Creek SSD Administrative Control Board meeting on June 24, 2010, the Board gave septic tank approval for Phase I of Palace Pass being developed by Mrs. Verna Conde's north of Pintura along 1-15. This approval was made subject to the following conditions:

1. That the septic tank and Phase I of the development be engineered to treat a flow of no more than 3,320 gallons per day.
2. That the design and construction of the septic tank be approved by either Southwest District Health Department or State of Utah Division of Water Quality.
3. That the developer or engineer provide established delineation zones around existing wells, which shall also be shown relative to the location of the septic tank on one of the development plan sheets.
4. That the developer execute the District's septic tank agreement form, have it notarized and return it to the District, along with a check in the appropriate amount as determined by the capacity of the septic tank.

If you have any questions or concerns about any aspect of this matter, please feel free to call me at any time.

Sincerely,

Darwin Hall
Superintendent, ACSSD

Ronald W. Thompson
General Manager

Roberta McMullin
Secretary-Treasurer

Barbara G. Hjelle
*Assistant General Manager
Counsel*



WASHINGTON COUNTY
WATER CONSERVANCY DISTRICT

BOARD OF TRUSTEES

Edward Bowler, *Chair*
Dennis Iverson, *Vice-Chair*
Daniel D. McArthur
Jim Lemmon
Howard Bracken
James N. Ence
Thomas Hirschi

May 25, 2010

Verna Conde
Palace Pass LLC
1400 San Felipe Dr.
Boulder City, Nevada 89005

Dear Ms. Conde:

This letter will confirm that the Washington County Water Conservancy District is willing to provide water service in the unincorporated area of Washington County located near exit 33 along I-15, subject to certain terms and conditions. These terms are based upon the understanding that you will develop less than 500 equivalent residential units.

Of primary concern to the District is the protection of ground water quality. Therefore, the District will not sell water to anyone who has not made adequate arrangement for waste water. Generally speaking, this means a sewage treatment system of adequate standards to ensure that ground water quality is not affected. The Ash Creek Special Service District is the governing authority over wastewater in your area.

Developers are generally expected to build all water lines and related facilities from the District's existing transmission system to meet the District's standards in place at the time construction occurs. Please keep in mind that the District's standards require advance approval of designs and plans by the District as well as inspection by the District during construction. Fees may be charged for inspecting construction. Any facilities constructed in violation of the District's rules will not be accepted. When you are ready to proceed to design drawings please contact us for a copy of our current standards.

To the extent any addition to the District's transmission system is required, the Developer will be expected to grant or obtain permanent and construction easements as necessary. All water lines and other water system facilities constructed by the Developer must be transferred to District ownership. Storage sufficient to provide required fire flows will be required (at least one million gallons).

Where storage is not already available, developers are generally required to obtain and deed to the District a one-acre tank site at the appropriate elevation. All easements and land will be

Verna Conde
May 25, 2010
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expected to be transferred at no charge to the District. Pipeline easements should be located in roads that will ultimately be dedicated as public roads.

Developers must pay impact fees established by the District, due at the time of platting of the subdivision. All system additions not covered by the impact fee must be paid for in full by the developer.

Additional requirements which would apply in your situation include the drilling of a provisional test well showing the necessary capacity, the availability of at least two water sources (wells), and final approved change applications for transfer of District water rights into the new well. In addition, since your system is isolated from existing District facilities, you will be responsible for transmission and distribution lines. The District will cooperate as necessary to provide temporary water for the test well.

The information above is intended to give you a general idea of the options we believe to be available for obtaining water from the District. The District's final commitments must be set forth in written policies and contracts. The District reserves the right at all times to amend any applicable fees, water rates, rules, regulations and policies.

Very Truly Yours,



Ronald W. Thompson

RWTte

enclosures



April 19, 2010

AVAILABILITY OF UTILITIES FOR: PALACE PASS (115 ACRES) (Convenience Store, RV Park, Multiple use Housing– I-15 EXIT 33 – PENUTRA, UTAH

WASHINGTON COUNTY CUSTOMER: VERNA CONDI – 702-293-6799

We hereby propose that in accordance with Electric Service Regulations for electric service in the State of Utah under the Public Service Commission, Rocky Mountain Power is prepared to provide service to your development should a "Future Developer" desire same and pay the costs of construction of facilities needed to make service available at the site.

We do not at the present time have facilities available to provide service from our existing lines; however, we can provide the capacity through installation and or upgrade of any necessary transmission and or distribution facilities.

Provide your requirements so the engineering and construction can be accomplished in time to meet your schedule. We may need to have the costs for engineering paid in advance for the design of facilities.

- 1) I **have not** reviewed preliminary site development plans.
- 2) Contact the Power Company prior to design or construction.
- 3) Adequate easements must be on plat prior to recording.

We require the following to complete the design for the customer:

- 1) Customer to make application / 888-221-7070.
- 2) Provide load information (contact me if you need form).
- 3) Provide County approved site plan for project with necessary easements.
- 4) There may be monies involved.

Sincerely,

Tom Shirley

Tom Shirley
Journeyman Estimator
435-688-3709, 435-688-8351 (fax)

cc: File

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Have a great day - Everyday!